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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 6899-82
24 August 1982MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: [REDACTED]

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SUBJECT: US-Israeli Differences Over the Camp David Peace Process

1. In anticipation of a new US peace initiative the Israeli cabinet warned last Sunday that it will reject any effort to amend the Camp David Agreements (CDA). The stage is set for a bruising US-Israeli confrontation in which a key issue will be defining the meaning of the Camp David Agreements.

- From the day the agreements were signed in September 1978 Israel has taken a narrow, legalistic, approach to their interpretation.
- US officials have privately argued that the CDA are open to wider interpretations (a view shared by Egypt) but have never presented this view publicly.

2. The most critical issue concerns the ultimate political status of the West Bank and Gaza. Prime Minister Begin asserts that the CDA rule out the emergence of a Palestinian state. In Begin's view, the agreements "guarantee that under no condition" can a Palestinian state be created.

- In practice Begin effectively rules out any exercise of Palestinian self-determination except one that continues Israel's preeminent position in the West Bank. Moreover, he has made clear that Israel will press its own claim to sovereignty to the occupied territories in the future.
- In fact, the CDA do not prejudice the final status of the occupied territories. Their status is to be settled in talks held after a transitional Self-Governing Authority is created. As the Jerusalem Post noted on Monday, "nothing is ruled out in advance under Camp David, all options are supposed to remain open."

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3. The key immediate difference is over what role should be given the Self-Governing Authority (SGA) which is to run the West Bank and Gaza during the interim 5-year transitional period while these territories' final status is negotiated between the SGA, Israel, Egypt, Jordan and the US. Begin's view is that the SGA should be a solely administrative authority regulating the affairs of the Arab inhabitants and leaving control of the territory and all key security issues with Israel. In sum, autonomy is for people not territory and therefore does not prejudice Israel's territorial claims to the West Bank.

- The agreements themselves are purposefully vague, however, about the "powers and responsibilities" of the SGA and leave it to the parties (US, Egypt, Israel) to "negotiate an agreement" to "define the powers." Moreover, the CDA are vague about whether autonomy applied to people and/or land. In some clauses it refers to autonomy for "the inhabitants" but in others it deals with the West Bank and Gaza as territorial entities (for example as areas from which Israeli military role is to be withdrawn) and calls for "full" autonomy.
- Egypt has always maintained that the CDA call for an autonomy agreement that gives the SGA legislative as well as administrative powers. Cairo argues -- probably correctly -- that a narrowly defined agreement will never attract broad Palestinian or Arab support.

4. Israel has already defined its views on all the key issues and in each case makes a narrow interpretation:

- Jewish settlements are to remain under Israeli control and not be subject to the SGA. The SGA could not prevent new settlements and territorial expansion of existing ones (115 settlements currently).
- Water rights would be allocated by joint Israeli-SGA agreement. If agreement is not reached, the status quo -- which benefits Israel -- prevails.
- Land rights would also be under joint control (Israel currently controls 1/3 of all West Bank land).
- Security issues, internal and external, would be under sole Israel control, with only minor police rights given to SGA.
- East Jerusalem is not considered part of West Bank and its Arab inhabitants are not eligible to vote for SGA.

In fact on all of these points the agreements are either vague or silent. Jordan's role in the peace process is dealt with, however; Amman was

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specifically "invited to join the negotiations" to establish the SGA on the basis of Camp David. Therefore, there is no reason to accept Israeli arguments that the US is prohibited from putting forth its own interpretations.

5. A likely Israeli tactic will be to argue that the US and Egypt both promised to make no alteration in the Camp David approach last April during the talks before Israel returned the Sinai. In fact, President Reagan promised "to pursue" the negotiations "for full autonomy" and agreed that the CDA is "the only agreed plan" to resolve the Palestinian issue. These commitments do not prevent the US from giving its own interpretation of the CDA.

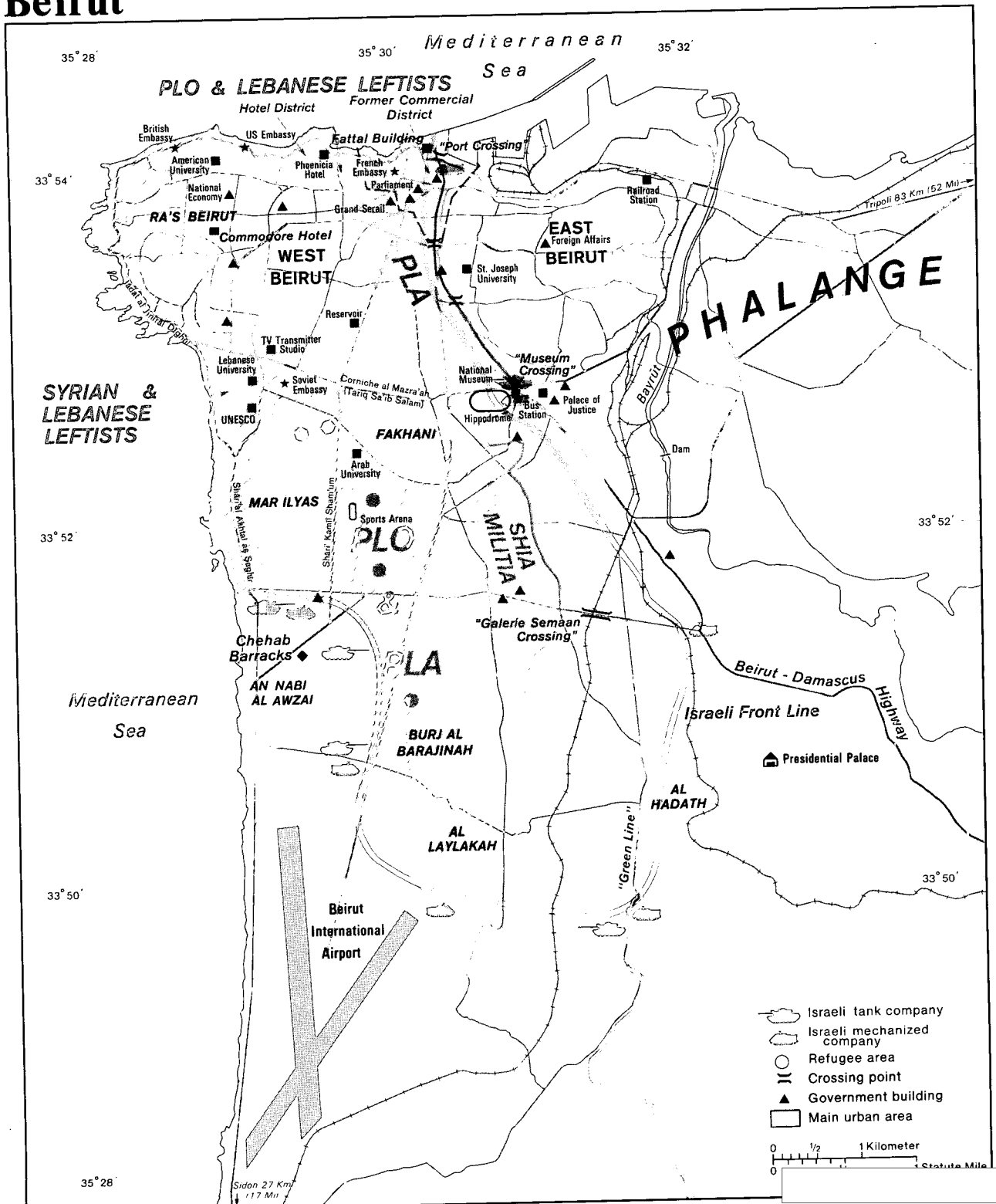
-- Israeli leaders, including Begin, have often warned that Israel will formally annex the West Bank if, in its judgment, the Camp David process is abrogated. The bottom line for US policy is to argue persuasively that Camp David is a broad framework within which the US can and must put forward its own views on key issues in order to attract other Arab states (Jordan) to the negotiating table.

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